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# KERALA GAZETTE

## EXTRAORDINARY

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## NOTIFICATION.

No. LA.4-932|57. *Dated, Trivandrum, 16th July 1957.*

The following Bill together with the statement of Objects and Reasons, is published, as ordered by the Speaker under Rule 73 of the Rules of Procedure and Conduct of Business in this Assembly.

Legislature Secretariat,

Trivandrum.

V. KRISHNAMOORTHI,
*Secretary,*
*Legislative Assembly.*

**L. A. Bill No. 17 of 1957**

# THE KERALA SURCHARGE ON TAXES BILL, 1957

## A

## BILL

*to provide for levy of surcharges on certain taxes.*

*Preamble.*—WHEREAS it is considered necessary to increase the taxes on agricultural income, taxes on the sale or purchase of goods and taxes on profession, by the levy of a surcharge on such taxes;

BE it enacted in the Eighth Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Kerala Surcharge on Taxes Act, 1957.

(2) It extends to the whole of the State of Kerala.

(3) It shall come into force on such date as the Government may, by notification in the Gazette, appoint.

2. *Levy of surcharge on agricultural income-tax.*—The income-tax or super-tax payable by any person assessed to such tax under the Agricultural Income-tax Act, 1950, shall be increased by a surcharge at the rate of five per centum of the tax payable each year, and the provisions of the Agricultural Income Tax Act, 1950, shall apply to the levy and collection of the said surcharge.

3. *Levy of surcharge on sales and purchase taxes.*—(1) The tax payable under the Travancore-Cochin General Sales Tax Act, 1125 or the Madras General Sales Tax Act, 1939, shall, in the case of a dealer whose turnover exceeds thirty thousand rupees in a year, be increased by a surcharge at the rate of two and a half per centum of the tax payable for that year and the provisions of the Travancore-Cochin General Sales Tax Act, 1125 or the Madras General Sales Tax Act, 1939, shall, as the case may be, apply to the levy and collection of the said surcharge:

Provided that where in respect of declared goods as defined in clause (c) of section 2 of the Central Sales Tax Act, 1956, the tax payable by such dealer under the Travancore-Cochin General Sales Tax Act, 1125 or the Madras General Sales Tax Act, 1939, together with the surcharge payable under this sub-section, exceeds 2 per centum of the sale or purchase price, the rate of surcharge in respect of such goods shall be reduced to such an extent that the tax and the surcharge together shall not exceed 2 per centum of the sale or purchase price.

(2) Notwithstanding anything contained in sub-section (1) of section 11 of the Travancore-Cochin General Sales Tax Act, 1125, or in sub-section (1) of section 8B of the Madras General Sales Tax Act, 1939, no dealer referred to in sub-section (1) shall be entitled to collect the surcharge payable under the said sub-section.

4. *Levy of surcharge on profession tax.*—The profession tax or tax on Companies payable by a person or company whose half-yearly income is not less than one thousand and five hundred rupees to the respective local authorities under the Trivandrum City Municipal Act, the Travancore District Municipalities Act, 1116, the Cochin Municipal Act, XVIII of 1113, the Madras District Municipalities Act, 1920, the Travancore-Cochin Panchayats Act, 1950, the Madras Village Panchayats Act, 1950 or the Madras District Boards' Act, 1920, shall be increased by a surcharge for the purpose of the Government at the rate of five per centum of the profession tax or tax on companies so payable and the local authorities concerned shall levy and collect the said surcharge along with the profession-tax or the tax on companies in the same manner as if it were a profession-tax or a tax on companies, and the provisions of law governing the levy and collection of such taxes shall in all respects apply therefor.

5. *Local authority to make over the surcharge collected to Government.*—The local authority concerned shall make over to the Government the surcharge so collected in such manner and subject to such deductions towards the cost of collections, as the Government may, from time to time, by rules prescribe.

6. *Removal of difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, the Government may, as occasion may arise, by order do anything which appears to them necessary for the purpose of removing the difficulty.

7. *Power to make rules.*—The Government may, by notification in the Gazette, make rules for carrying out the purposes of this Act.

8. *Amendment to the Madras Elementary Education Act, 1920.*—(1) Chapter III (sections 32 to 40, both inclusive) of the Madras Elementary Education Act, 1920, as in force in the Malabar District referred to in sub-section (2) of section 5 of the States Reorganisation Act, 1956, shall be omitted.

(2) As soon as may be after the commencement of this Act, the elementary education fund constituted for each local authority under the said Act shall be transferred to the Government by such local authority and the same shall vest in the Government free of all trusts, liabilities and encumbrances. Thereupon it shall be competent for the Government to utilise the said fund in such manner as they may deem fit.

## STATEMENT OF OBJECTS AND REASONS.

For meeting a portion of the increasing expenditure on education it is proposed to levy the following surcharges, namely:—

(a) a surcharge at 5 per cent on agricultural income-tax and super-tax;

(b) a surcharge at 2½ per cent on the sales-tax on assessees having a turnover of Rs. 30,000 and above; and

(c) a surcharge at 5 per cent on profession-tax.

With the introduction of the above Surcharges, the education cess now collected in the Malabar area is proposed to be abolished.

2. The Bill is intended to implement the above proposals.

C. ACHUTHA MENON.

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